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ABSTRACT

This hearing, which concerned section 214 of the Foreign Assistance Act of 1961 (as amended), focused on dealing with the sharp increase in the number of institutions in the Middle East requesting funds for American schools and hospitals abroad. Thus, this record of hearing contains testimony to provide clarifications about the purposes and goals of section 214, the administering of funds appropriated, the roles of Congress and the Agency for International Development (AID), and guidelines concerning what constitutes an American school or hospital abroad. Also contained in this record of hearing are documents submitted for the record (including a set of criteria used by AID for screening prospective recipients, a delineation of institutions that have not received or requested assistance on a continuing basis, and a tabulation of American sponsoring organizations that have received or applied for grants for more than one institution). Appended are requests of AID and of Congress for appropriations in FY 1972 and a summary of AID to recipient institutions during FY 1959-71. (GC)

ED 068372

AMERICAN SCHOOLS AND HOSPITALS ABROAD
(Section 214 of the Foreign Assistance Act of 1961, as amended)

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HEARING
BEFORE THE
SUBCOMMITTEE ON THE NEAR EAST
OF THE
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES
NINETY-SECOND CONGRESS
SECOND SESSION

MAY 11, 1972



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(II)

PREFACE

Section 214 of the Foreign Assistance Act of 1961, as amended, covering "American schools and hospitals abroad," has been over the years the subject of much debate and discussion both in Congress and the executive branch. In recent years, the number of institutions requesting funds has sharply increased and the debate has become more vocal. Last year, requests to AID and to Congress totaled over \$70 million although only \$20 million was finally appropriated for fiscal year 1972.

Clearly, many clarifications about the intent, purpose and goal of this section of the act, the administering of funds appropriated, the roles of Congress and AID and guidelines concerning what constitutes an American school or hospital abroad are needed. These and other issues were our concerns in this hearing. It was particularly important for the Subcommittee on the Near East to examine this topic because such a large percentage of the institutions requesting funds are in the Middle East.

The prepared statements of both witnesses, including a set of criteria used by AID for screening prospective recipients on pages 7-8, serve as excellent guidelines for what section 214 should be doing, the kinds of institutions that should be supported, the role Congress should play and ways in which the program can and should be improved.

The record of this hearing will prove of great value to all Members of Congress, especially members of the Committee on Foreign Affairs.

Some of the more important observations made during the hearing can be summarized:

1. The primary purpose of section 214 is not to serve the educational and health needs of foreign countries but to demonstrate to the people, on a very selected basis, American ideas, practices and technology in the fields of education and medicine.
2. The institutions supported should be well-established showcases, not completely dependent on the United States Government for funds nor supported chiefly by host governments.
3. Under section 214, a small number of good institutions, no more than a few in any one country, should be given long-term aid, not one-shot donations. Good regional schools and hospitals should be strengthened, but this should not preclude superior national-oriented institutions from receiving funds.
4. All institutions receiving funds must be under regular and comprehensive review by the Office of American Schools and Hospitals Abroad in AID and all institutions should meet AID's criteria for receiving funds on a continuing basis.
5. Section 214 should not be the sole channel for extending American aid to schools and hospitals overseas. There should be other vehicles for institutions to receive support. This will better enable section 214 to perform its special function.

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6. There must be a wider, more equitable geographic distribution of section 214 funds. Too many institutions and too great a percentage of funds go to schools and hospitals in the Middle East. There should be, at once, both a decrease in the money going to this area and an increase in funds for qualified institutions in other areas of the world.

7. Congress should pay closer attention to the recommendations of the Office of American Schools and Hospitals Abroad in AID. Congress does have an important, even essential, role to perform in reviewing the program on a regular basis, but its function should be one of broad review and offering general policy recommendations rather than urging funds for particular institutions. It would be best if Congress appropriated funds annually for AID to distribute to the most qualified applicants according to its criteria and if all applications were processed through AID directly and not first recommended by Congress.

It is hoped that over the next couple of years an agreed set of criteria on how section 214 should function will evolve so that it better serves its intended goals. There can be no doubt that section 214 serves very important foreign policy goals, and it should continue to be able to do so.

LEE H. HAMILTON,
Chairman, Subcommittee on the Near East.

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AMERICAN SCHOOLS AND HOSPITALS ABROAD

THURSDAY, MAY 11, 1972

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON THE NEAR EAST,
Washington, D.C.

The subcommittee met at 10 a.m., in room 2200, Rayburn House Office Building, Hon. Lee H. Hamilton (chairman of the subcommittee) presiding.

Mr. HAMILTON. The meeting of the subcommittee will come to order.

Today the Subcommittee on the Near East would like to examine section 214 of the Foreign Assistance Act of 1961, as amended. Section 214, which deals with "American Schools and Hospitals Abroad," receives small money allocations each year, but potential recipients are debated at length in Congress and in the executive.

While we are interested in a brief background history of this section, we are more concerned today with two issues. First, we would like to delineate what kinds of schools and hospitals the United States should be supporting and thus increase our understanding of the intent and purpose of this section of the act. Second, we would like to learn more about the many American schools and hospitals in the Middle East that the United States supports. At present, it appears that over 80 percent of the funds of section 214 go to Middle East institutions and, of that, over 40 percent to institutions in Israel.

We are fortunate to have with us today two gentlemen familiar with section 214: Dr. Fred Harrington, the former president of the University of Wisconsin, currently with the Ford Foundation in India, and we are pleased and honored that he could be here today. Mr. Arturo Costantino is Director of the Office of American Schools and Hospitals Abroad in the Agency for International Development.

Mr. Costantino, we will have you proceed first. As I indicated to you, we have a problem on the floor, since the House is in session and the bells may ring. We would appreciate it if you would summarize the major points of your statements, and then we will have a few questions.

Mr. Costantino, you may proceed.

(1)

**STATEMENT OF ARTURO G. COSTANTINO, DIRECTOR, OFFICE OF
AMERICAN SCHOOLS AND HOSPITALS ABROAD, AGENCY FOR
INTERNATIONAL DEVELOPMENT**

Biographic sketch of ARTURO G. COSTANTINO, FSR-1

PRESENT POSITION

1970 to present: Director, Office of American Schools and Hospitals Abroad, AA/SER.

OTHER EXPERIENCE

1967-70: Assistant Director, Operations, and previously Regional Director for Texas-U.S.-Mexico Border Development Commission, Executive Office of the President.

1966-67: Special Assistant to the Deputy Coordinator, Alliance for Progress, ARA/LA.

1963-66: Deputy Director, US AID, Argentina.

1961-63: Program Officer, US AID, Guatemala.

1958-60: Planning Officer—ICA Far East Bureau, Program Office.

1956-58: Assistant Planning Officer—Program Office, USOM Thailand.

1952-56: Dependent Overseas Territories Officer—London.

1948-52: Staff—Trade Division, ECA Mission, Rome.

EDUCATION

1944-45: B.A., Princeton University, School of International Affairs.

1945: U.S. Navy School of Oriental Languages (Japanese), Oklahoma A. & M.

1960-61: Development Planning Institute, Johns Hopkins School of Public and International Affairs.

LANGUAGES

French, Italian, Spanish, fluent.

PERSONAL DATA

Born New York City, April 27, 1927; married, three children.

Mr. COSTANTINO. Thank you, Mr. Chairman.

We appreciate that this subcommittee wants to help make the section 214 program an increasingly valuable tool of U.S. foreign policy and are most grateful to it for taking the time to consider it at this time.

Over the years the section 214 program has been concentrated in the Near East. The Agency believes that what has been done has been useful. U.S. interests in the area have been well served by the program.

REVIEWING SECTION 214

Increasing public knowledge of section 214 and of the program has recently led to a significant increase in applications from American-sponsored institutions overseas seeking help. This heightened interest and congressional statements that the Congress henceforth will look to AID to select projects for section 214 grants have caused AID to review section 214 program policies and management. In the course of our review, we have concluded that the law and congressional statements identify the objective of section 214 as the fostering of a favorable image of the United States abroad through medical and educational centers of excellence overseas which are identified with the United States and which demonstrate U.S. medical or educational ideas and practices.

Given the overall limitation on prospective section 214 budgets, we believe it is imperative that section 214 subsidies be administered in a manner which helps insure (1) that the objectives of the law are well served, and (2) that the United States obtains the greatest possible returns on the investments of public funds which are made. To this end, we have developed criteria to help us screen grant applications. However, these criteria merely establish eligibility. Decisions as to grants necessarily must be based upon a system of qualitative and geographic priorities and upon U.S. foreign policy considerations of a broad nature.

CONCENTRATION ON NEAR EAST

In our opinion, the present concentration of the program in the Near East reflects an imbalance. Steps are being taken, with the support of Congress, to move toward wider, more equitable geographic distribution of section 214 grants. Nevertheless, we are aware that the present situation reflects the very real interests of the Congress and that geographic redistribution of the program will take time.

With your permission, I would like to submit for the record our basic policy paper on section 214. I hope it will answer questions which I know are of concern to you and this committee.

I will be pleased to answer any other questions that you may have.

Mr. HAMILTON. Thank you very much.

(The statement follows:)

STATEMENT OF ARTURO G. COSTANTINO, DIRECTOR, OFFICE OF AMERICAN SCHOOLS AND HOSPITALS ABROAD, AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. Chairman, gentlemen, my name is Arturo G. Costantino. I am the Director of the American Schools and Hospitals Abroad program administered by the Agency for International Development, pursuant to Section 214 of the Foreign Assistance Act.

We appreciate that this Subcommittee wants to help make the Section 214 program an increasingly valuable tool of U.S. foreign policy and are most grateful to it for taking the time to consider it at this time.

Over the years the Section 214 program has been concentrated in the Near East. The Agency believes that what has been done has been useful. U.S. interests in the area have been well served by the program.

DELINEATING PURPOSE OF SECTION 214

Increasing public knowledge of Section 214 and of the program has recently led to a significant increase in applications from American sponsored institutions overseas seeking help. This heightened interest and Congressional statements that the Congress henceforth will look to A.I.D. to select projects for Section 214 grants have caused A.I.D. to review Section 214 program policies and management. In the course of our review, we have concluded that the law and Congressional statements identify the objective of Section 214 as the fostering of a favorable image of the U.S. abroad through medical and educational centers of excellence overseas which are identified with the U.S. and which demonstrate U.S. medical or educational ideas and practices.

Given the overall limitation on prospective Section 214 budgets, we believe it is imperative that Section 214 subsidies be administered in a manner which helps ensure (1) that the objectives of the law are well served, and (2) that the U.S. obtains the greatest possible returns on the investments of public funds which are made. To this end we have developed criteria to help us screen grant applications. However, these criteria merely establish eligibility. Decisions as to grants necessarily must be based upon a system of qualitative and geographic priorities and upon U.S. foreign policy considerations of a broad nature.

In our opinion, the present concentration of the program in the Near East reflects an imbalance. Steps are being taken, with the support of Congress, to move toward wider, more equitable geographic distribution of Section 214 grants.

Nevertheless, we are aware that the present situation reflects the very real interests of the Congress and that geographic redistribution of the program will take time. With your permission, I would like to read our basic policy paper. I hope it will answer questions which I know are of concern to you, and I will be pleased to answer any other questions that you may have thereafter.

THE AID GRANT PROGRAM FOR AMERICAN SCHOOLS AND HOSPITALS ABROAD (ASHA)

The basic authorization for the American Schools and Hospitals Abroad program (ASHA) was contained first in the Smith-Mundt Act of 1947, followed by the Mutual Security Act, and more recently in Section 214 of the Foreign Assistance Act. This section provides for grants to schools, libraries, and hospital centers located outside of the United States which are American founded or sponsored and serve as study and demonstration centers for ideas and practices of the United States.

HISTORY

Beginning in Fiscal Year 1959 with 12 projects totalling \$4.3 million, the program gradually rose to an average grant level of \$13.5 million during the 1960s and peaked at almost \$30 million during Fiscal Year 1970 when 17 projects were funded. In Fiscal Year 1971, the level dropped back to \$13.4 million, involving 14 grantee institutions.

During Fiscal Year 1972 the program involves applications exceeding \$50 million in U.S. currency from about fifty institutions. An appropriation of \$20 million has been provided to meet these requests.

Over the years the Section 214 program has developed through response to grant requests filed by private U.S. sponsors of overseas institutions. Grants have been made on the merits of the applications and justified from year to year on this basis. AID's policy for many years was to avoid new commitments, if possible, and to hope that the grantee institutions already "on board" could somehow be weaned from Section 214 grants and helped to stand on their own financial feet. Frustrated by AID's negative policy with regard to new applicants, a variety of American groups interested in schools, hospitals, or libraries overseas discovered that direct appeals to the Congress, bypassing AID, brought results. The Congress accepted AID's recurrent annual budget requests for the institutions which had in one way or another obtained AID's endorsement but, in addition, specifically instructed AID to finance a considerable number of schools and hospitals in Israel and one hospital in Poland. Because of the special interest of Congress in these institutions, specific projects were identified in appropriation bills.

ISRAELI SCHOOLS

AID/ASHA has never requested Congress for funds for schools or hospitals in Israel. This position has not been motivated by any desire to exclude American institutions in Israel, but stems from the difficulties AID found in distinguishing the American "sponsored" institutions seeking help from native Israeli schools or hospitals. In fact, the American sponsors of certain Israeli institutions have been little more than conduits for U.S. funds. This was and remains a problem because all of the schools in Israel identified by the Congress are dependent in part on Government of Israel funds.

As a consequence, the Section 214 "portfolio" now reflects the continuing confusion regarding the type of institution which can, in all objectivity, be defined as an American school or hospital abroad, although the letter of the law (Section 214) has been observed in that all institutions have had "American sponsors or founders." Congressional interest also has led to grants to institutions of differing quality and to some that might not have been chosen as U.S. demonstration centers by AID.

During the first half of Fiscal Year 1972, the Congress and AID were besieged by a variety of American "sponsors" seeking Section 214 funds. These people were spurred by the growing public awareness of Section 214, the decline in receipts from private sources in the United States, spiraling costs overseas where expenses have been rising even faster than in the United States, and the willingness of the Congress to include their projects for Section 214 financing.

REVIEW OF ASHA PROGRAM

The Office of American Schools and Hospitals Abroad has examined the basic rationale of the ASHA program, its geographic scope, AID's relationship with "sponsors," and project selection criteria. The objective has been to develop new

policies together with criteria for the identification of institutions abroad. The intention is to restructure the present program in a way which more adequately reflects the stated intent of Section 214.

From the program's beginning an apparent inconsistency has existed between the broad general U.S. foreign policy demonstration goal of Section 214 and the more restrictive purpose of Title II of the Foreign Assistance Act which primarily addresses itself to the economic development of less developed countries. Congress makes a distinction between the objectives of Section 214 and the bilateral economic or technical assistance programs administered by AID. The House Foreign Affairs Committee report in July 1971 indicates:

"The primary purpose (of Section 214) . . . was not to help take care of the educational and health needs of foreign countries but to demonstrate to their people, on a selected basis, American ideas, practices, and advances in the fields of education and medicine. Section 214 was not intended to authorize support for institutions abroad whose basic purpose was to furnish general education and welfare services to the citizens of the countries in which they are located. Where appropriate, such support should be provided within the framework of the regular country's economic assistance program administered by A.I.D."

The Senate Appropriations Committee in January 1972 urged that the program reemphasize its demonstration goals and that every effort be made to give wider and more equitable geographic distribution to the institutions assisted.

BASIC RATIONALE

Fundamentally, the basic rationale for the American Schools and Hospitals Abroad program is that it provides support to U.S. sponsored institutions abroad, which are in fact continuously identified as American. The policy objective is to ensure that selected institutions overseas serve as effective cultural presence centers. The direct or marginal relevance of the institutions to local economic development objectives of host countries is incidental. The Section 214 objective is to foster a favorable U.S. "image" abroad, and at the same time accomplish worthwhile objectives in the U.S. interest.

These objectives indicate that priority should be given to projects in those countries which by virtue of their size, political and/or economic relationship, now or in the foreseeable future, are of priority importance to the United States. Congress has endorsed this view, as present and prospective projects in Greece, Poland, Mexico, France, and Italy attest. Section 214 does not exclude grants to schools and hospital centers in "developed" countries. The ASHA program has been exempted specifically from the restrictions of the Mutual Defense Assistance Control Act of 1951, as amended (Battle Act), and can be the vehicle for assistance to American schools and hospitals in Communist affiliated countries, e.g., Poland.

GEOGRAPHIC DISPERSION

If U.S. achievements and ideas in education or medicine are to be used to enhance the American image abroad through grants to outstanding American institutions reflecting these ideas and practices, the present concentration of the program in the Middle East reflects an imbalance. If dispersed geographic distribution of Section 214 grants is to be achieved, that geographic dispersal will require an increase over past annual appropriation levels, especially at first, pending orderly termination or phasing out of grants to institutions in countries where the United States is now excessively well represented. Ultimately, the Section 214 program should provide for grants to a very limited number of institutions in any one country. In any case, the number of grantees should be determined by U.S. foreign policy considerations—not the desires or needs of private institutions to be bailed out with ASHA subsidies.

In addition to the clear need to disperse the program geographically, two fundamental factors should be taken into greater consideration in the future administration of the program. These are (1) the quality of the institutions abroad and (2) the time frame within which Section 214 grants should be viewed.

First, the U.S. foreign cultural presence objectives, which are the fundamental rationale for the ASHA program, cannot be served by inferior or second-rate institutions. Grants should be made only after exhaustive, qualitative examination of each institution seeking help.

THE TIME FRAME

Second, it will continue to be in the U.S. interest to support cultural centers in foreign countries whose attitudes and policies toward the United States are significant to the well-being of our country. It follows that support to hospitals and schools abroad should not be seen as "one shot" or spasmodic efforts to shore up these institutions. What is in order is the establishment of a continuing relationship between the United States and selected overseas institutions to enable these institutions to serve as high quality demonstration centers bringing credit to the United States.

Thus, a decision to provide a Section 214 grant should entail a long-term concern for the institution benefited. It should be understood that whenever a grant is made, a continuing relationship may be in prospect between the United States Government and the overseas institution. It is illogical to view Section 214 grants in an "annual" perspective because:

(1) The continuing "demonstration" functions of Section 214 institutions abroad will be in the U.S. interest for an indefinite period.

(2) Overseas education and medical centers are under severe handicaps in terms of becoming or remaining self-supporting and at the same time maintaining standards of excellence and relevance to the host country's own educational or medical needs. U.S. educational and medical institutions overseas have to cope with the same problems as domestic institutions, but the difficulties they face are exacerbated by distance from this country and problems arising from local conditions. For example, an American school abroad has particular problems in terms of raising funds from private American donors, maintaining its American identity in the face of local nationalism, coping with antagonisms among the community and student body stemming from dissatisfaction with U.S. foreign or domestic policies, etc.

(3) Support for these institutions cannot be withdrawn suddenly or arbitrarily, particularly when a mutually approved program of expansion has previously been agreed upon. Reductions in support levels should not be abrupt. If U.S. grants are to be reduced for good reason, due consideration should be given to the disruption such action will create. If necessary, grants should be phased out over an agreed span of several years.

CONCLUSIONS

The above analysis leads to the conclusion that ASIA should, effective immediately:

- (1) give priority to new applications from U.S. sponsors of eligible American schools and hospitals located in Latin America, East Asia, and Africa;
- (2) limit the number of institutions in any country or region to whatever number is needed to ensure attainment of U.S. objectives; and
- (3) move in the direction of closing out or terminating grants to institutions which are marginal in terms of U.S. foreign policy requirements.

PROJECT SELECTION CRITERIA

In November 1971 the Senate Committee on Foreign Relations criticized the recent Congressional practice of identifying grantees and the specific appropriations for them. The Committee indicated that this procedure had proved to be counter-productive and had led, perhaps inevitably, to exertion of substantial pressures on members of Congress on behalf of specific institutions. The Committee concluded that corrective action must be taken in the belief that:

"Congress should not put itself in the position of picking and choosing among proposals for individual ASIA grants." Instead, the Committee indicated, Congress should render an overall judgment about the entire program based on testimony and evidence presented by the Executive Branch and other witnesses. The Committee added that it was up to the Executive Branch to judge the merits of each specific project, subject to overall Congressional review. In December the House Appropriations Committee supported this view in its report which said:

"The Committee has not recommended funds for all of the projects named in the legislative reports of Congress because many are new and have not been considered by the Agency . . . While Congress has every right to include any meritorious project for funding, it is felt that it would be desirable to have as many projects as possible processed through established channels and be presented to Congress by the Agency for International Development."

On January 14, 1972, in line with the Congressional intent, the Office of American Schools and Hospitals Abroad issued Operations Memorandum No. 1 entitled, "Applications for ASHA Grants and Criteria for Project Selection." A copy of this memorandum is attached as Appendix A of this statement (see below).

The Memorandum reiterates the substance of the passage quoted earlier from the July 1971 Foreign Affairs Committee report. This memorandum indicates that grantee institutions must be clearly *identified* with the United States, and that A.I.D. construes founding and sponsorship as requiring a substantial fraction of United States citizens amongst the institution's sponsors, and that the American sponsors must participate in the management of the institution and contribute substantially to its financial support.

The criteria underline further that the fact that an institution receives financial or managerial help from the United States sponsors or has been founded by an American does not *ipso facto* qualify that institution for assistance. United States foreign policy, technical and programmatic considerations are to determine which American sponsored or founded institutions overseas are to receive grants. It is A.I.D.'s responsibility to prepare a recommended list of projects to be supported through Section 214 of the Foreign Assistance Act.

The ASHA program objective is to strengthen the image of the U.S. abroad through services provided by high quality American schools or hospitals. Given the overall limitation of funds, ASHA will not accept applications for support of primary schools.

The criteria should help A.I.D. to make sound, fair and systematic judgments concerning prospective grants and future budget requests. Project selections on this basis also should help Congress in its overall review of the ASHA program.

Hopefully, the Congress will support A.I.D. in its effort to exclude applicants which do not meet these criteria.

PROJECT MANAGEMENT

Another topic which has been examined is project management. Recent project reviews by the Office of American Schools and Hospitals Abroad have focused on the need for clearly defined institutional objectives and the development of operational and financial plans which take into consideration all of the resources available to the grantees, including the U.S. Government contribution. These reviews have resulted in close working relationships with many of the recipient institutions and a better understanding of their financial needs.

The principle followed in the course of the reviews is that United States budgetary support should be the minimal, residual requirement of each institution for funds to carry out mutually agreed upon goals. In this context, ASHA grants are considered as inputs to the overall budgets and programs of the grantee institutions. To facilitate grant administration and auditing, requests and grant awards will identify the specific aspects of the grantee's program for A.I.D. support.

Grant recipients should not undertake new or additional activities without first determining their long-range budgetary impact. Grant recipients will be required to consult with ASHA before embarking on expansion of facilities or programs if Section 214 grants are to be requested for this support.

ORGANIZATION AND LEGISLATION

In keeping with the considerations outlined herein and in order better to administer the ASHA program, A.I.D. on July 7, 1971 established the Office of American Schools and Hospitals Abroad. Administrative procedures have been streamlined to the maximum degree consonant with proper administration of public funds, not only because this is desirable but also to enable the limited staff to devote more time to development of a sound program based on the developed criteria. With the support of Congress, this Office can make continuing improvements in the content and administration of the ASHA program.

APPENDIX A

AMERICAN SCHOOLS AND HOSPITALS ABROAD CRITERIA

1. All institutions for which assistance is requested must be located abroad, and must have been founded or be sponsored by United States citizens. The Agency construes founding and sponsorship as requiring a preponderance of United States citizens in the founding or sponsoring group and an identification of the institution with the United States.

2. The institution must be a private non-profit organization, not under the direct control or management of any government, or governmental organization.

3. The sponsors must participate in the management of the institution and contribute to its financial support. No applications for assistance will be considered for ventures entirely dependent upon a grant under Section 214 for their initiation.

4. The institution should be open to all regardless of race, creed or color. No portion of the grant may be used to promote religious activities.

5. Schools must have a student body comprised of a majority of citizens from countries other than the United States.

6. In the case of medical institutions, the majority of students, nurses, and other medical personnel receiving training shall not be U.S. citizens.

7. The faculty or staff must include United States citizens or other nationals trained and graduated from United States institutions and thus be able to reflect American theory and practices in education, medicine and/or medical research.

8. Full time schools will be expected to provide instruction in an American studies program designed to include aspects of American history, geography, cultural, political and economic subjects. English should be used in instruction or taught as a second language.

9. Vocational and sub-professional training institutions should be planned to meet the needs of the host country.

10. The institution must demonstrate competence in instructional skills, management, and financial operations.

11. Each application must include the information required to permit a firm estimate of the total costs of the project to the U.S. Government and to demonstrate the capacity to ensure effective use of the assistance requested.

Note.—The above criteria establish eligibility for a Section 214 grant. However, eligibility does not *ipso facto* imply that a grant will be recommended or approved by A.I.D.

Mr. HAMILTON. Dr. Harrington.

STATEMENT OF DR. FRED HARRINGTON, FORMER PRESIDENT OF THE UNIVERSITY OF WISCONSIN, CURRENTLY WITH THE FORD FOUNDATION IN INDIA

BIOGRAPHIC SKETCH OF FRED HARVEY HARRINGTON, UNIVERSITY PRESIDENT PRESENT POSITION

1971 to present: Program Advisor for Education, Ford Foundation, New Delhi, India.

OTHER EXPERIENCE

1936-37: Instructor, History, Washington Square College, New York University.

1937-39: Instructor, University of Wisconsin.

1939-40: Assistant Professor, University of Wisconsin.

1940-44: Professor of History and Political Science, Head of Department, University of Arkansas.

1944-47: Associate Professor, History, University of Wisconsin.

1947 to present: Professor, University of Wisconsin.

1952-55: Chairman, Department, University of Wisconsin.

1956-58: Special Assistant to President, University of Wisconsin.

1958-62: Vice President, Academic Affairs, University of Wisconsin.

1962: Vice President, University of Wisconsin.

1962-70: President, University of Wisconsin.

EDUCATION

A.B. with honors, Cornell, 1933.

A.M. N.Y.U. (Frederic Courtland Penfield fellow, 1933-36), 1934.

Ph. D., N.Y.U. 1937.

Born: Watertown, N.Y., June 24, 1912. Married.

Mr. HARRINGTON. I am appearing here as a private citizen. I have frequently been a consultant on section 214 matters, and I do want to say that it has been a successful program.

AMERICAN INSTITUTIONS

It does demonstrate American educational experience and accomplishments. Of course we all know that, in the United States, education has a great deal to do with improvement of living standards and the opportunities available to American citizens. Therefore, all of us should want the section 214 program to continue as a demonstration of American educational and health experiences abroad.

I stress the "American" because this is the way section 214 is written. It is a section devoted to American schools and hospitals.

It is also important that the section 214 money go to well established going institutions, concerns that are capable of demonstrating the best in American education and health—institutions that can be showcases for American education.

Unfortunately, the experience of section 214 has fallen short of perfection. While the record is good, there have been some cases in which institutions supported have not been of the highest quality or cannot demonstrate American experience because they are not truly American schools or hospitals. It is important that in any reconsideration of section 214 that changes in the statute be considered, and changes in practice, so that section 214 will really emphasize the demonstration and showcase nature of this legislation.

Right along with this go some needed reforms. It is important that the money be spread out; that is, that it not be concentrated in the Near East, although we would expect that the Near East would continue to be of great interest to the United States.

USEFUL GUIDELINES

Almost all of us, on the outside, who have looked at the section 214 program feel that it is important that the money be given to relatively few institutions, not a great many—one or very few in any country—and that the Congress pay close attention to the recommendations of the Office of American Schools and Hospitals Abroad to make sure that careful screening has taken place; that the institutions supported are really good institutions; that they are really American institutions; that they are really institutions that deserve the support and will carry forward in the right fashion.

Once support is given, it would be better to give it on a long-term basis. One-shot support is not very useful to educational and health institutions; it is important to keep this support going. Obviously, the United States is going to be involved in the world for a long time and if we are to support showcases these should be truly such.

If we support an institution and then drop it, the institution is not going to have the quality or the impact that we should seek.

We are pleased, all of us, that you are looking into this problem, and we feel that the results can be very good.

I personally visited a good many institutions in the Near East, the area in which you are particularly interested, and I found that they are doing an excellent job. Of these, I might cite particularly the American University of Beirut. There is a representative of that institution in the room now.

The American University of Cairo and the Hadassah Hospital in Israel; Robert College, now a secondary school in Turkey; and the schools in Greece, all of those are good.

It is important that we not stretch the money so far that these institutions don't get enough support. It is important that the Congress not add many more to the list of grantees because of pressures. If that happens we are likely not to be supporting adequately the institutions which can do the job for us.

Mr. HAMILTON. Thank you very much, gentlemen.

Dr. Harrington, your statement will also be entered in the record.
(Dr. Harrington's statement follows:)

STATEMENT OF DR. FRED HARVEY HARRINGTON, FORMER PRESIDENT OF THE
UNIVERSITY OF WISCONSIN

My name is Fred Harvey Harrington. I am a former president of the University of Wisconsin; a past president of the National Association of State Universities and Land Grant Colleges; am now a William F. Vilas Research Professor at the University of Wisconsin, and Program Advisor for Education for the Ford Foundation in India.

I have been a consultant to the Agency for International Development under both Democratic and Republican administrations. I have served on the Director's Advisory Committee of University Presidents, and as a special consultant on the 214 programs. In the latter capacity I have participated in special assessments of 214 programs in Lebanon, Mexico and Egypt, and have attended conferences in Washington on matters concerning 214.

Today, however, I am appearing as a private citizen, not as an AID consultant. I have come from India specifically to testify before this committee.

U.S. ROLE

1. What role should the U.S. be playing in international education and what can AID through section 214 do to support that role?

The United States should contribute to the world the lessons learned by the American experience in education. We should also establish educational links which will build good will, help others to understand the United States, and help us to understand others.

To elaborate: education has played a vital role in the development of American democratic values and the improvement of living standards in the United States. From colonial days to the present, access to education has been the key to opportunity in America—opportunity for individual expression and advancement, opportunity for citizens to serve society. The United States has stressed education for the many, for adults as well as for the young; practical, vocational and professional education as well as general academic subjects. We have maintained high standards, and have introduced technological improvements into education. We have emphasized understanding as well as memorization, have encouraged students to participate in classroom discussion. We have favored innovation and experimentation and freedom of expression.

To be sure, the record is far from perfect. We have fallen short of providing opportunity for all. We have not always provided adequate support for education; and among educators as well as the public, there has sometimes been resistance to proposed improvements. But the record contains much that is praiseworthy,

much that can help other nations. These countries need not imitate us. They should not imitate us; but should develop educational systems that fit their special needs. But it will help them to know about the educational experience of the United States.

DEMONSTRATION EFFECT

Not only that. In carrying American educational experience overseas, we can develop ties with the citizens of other nations—ties of understanding, and good will, helpful on both sides.

Section 214 can and does support that role by helping American schools and hospitals abroad to become educational and health showcases—demonstration centers that use American techniques and equipment and maintain high standards. This spreads knowledge of and develops good will towards the United States. It renders service by training citizens of foreign lands, including future leaders. And in the process the American schools and hospitals contribute toward our understanding of nations overseas.

It is interesting to note that AID assistance through Section 214 does not have the limitations imposed on other AID programs. It is not confined to aiding less developed countries—it can support American schools and hospitals in developed countries, as in Europe. Unlike most AID activity, it is not limited to the economic development sphere. Nor is it required to stay out of Communist nations; 214 is specifically exempted from 1951 Mutual Defense Assistance Control Act restrictions. Thus it can support an American hospital in Poland.

Section 214 is not and should not be the sole channel for extending American aid to schools and hospitals abroad. The State and Defense Departments maintain educational institutions overseas. The United States Government assists foreign institutions through other sections of the Foreign Assistance Act, by contributions to international organizations, through the Peace Corps and in many other ways. American universities, foundations and individual citizens are also active in providing help. Section 214 is important because of its special mission of providing demonstrations of American educational and health advances through American hospitals and schools abroad.

GOAL OF 214

2. What is the intent, purpose and goal of section 214 and what should it be?

The intent of 214 is well stated in the July, 1971 House Foreign Affairs Committee report:

"The primary purpose . . . was not to help take care of the educational and health needs of foreign countries but to demonstrate to their people, on a selected basis, American ideas, practices, and advances in the fields of education and medicine."

Such demonstrations, as the statute indicates, are to be carried on by "American schools and hospitals abroad." The purpose of these demonstrations is to increase awareness of educational and health improvements introduced in the United States. The goal is better understanding and the international good will that hopefully will be the foundation of permanent world peace.

I have no quarrel with this. It is well conceived and can be highly effective if the basic intent, purpose and goal are kept in mind, and if high standards are maintained.

Unfortunately, Section 214 has come to be regarded in some quarters as a grab bag, a fund for resending schools and hospitals that are in financial difficulties, even if they are less than top quality, even if they are not American in character, even if they cannot or do not demonstrate American educational and health ideas, practices and advances. Americans sympathetic to such institutions have besieged Congressmen to insist on the inclusion of these institutions on the 214 lists; and have too often succeeded.

This should be corrected.

IMPROVING SECTION 214

3. How else can Section 214 be improved?

By Congressional insistence that 214 support be confined to American schools and hospitals abroad—institutions with American sponsors who take continuing interest and help provide support, and effectively participate in management and review of performance;

By Congressional insistence that 214 support be confined to schools and hospitals willing to demonstrate American educational and health ideas, practices and advances, and capable of doing so in an effective fashion;

By Congressional insistence that the Office of American Schools and Hospitals Abroad (OASHA) require these institutions to provide detailed and convincing evidence of their plans and performance, their American character, their ability and willingness to secure assistance from sources other than the United States Government (e.g., private fund raising in the United States);

By Congressional insistence that sponsors of interested institutions operate through proper administrative channels, i.e., the OASHA, with Congress of course setting standards and reviewing OASHA actions;

By Congressional indication that support should be limited to relatively few institutions in a single country or region, and that support be extended to geographical areas not now adequately covered; and

If necessary, by statutory changes to make more clear the basic intent purposes and goal of Section 214.

CERTAIN INSTITUTIONS SHOULD BE SUPPORTED

4. What kind of institutions should the U.S. support (under the 214 program)?

Support should be confined to well-established schools and hospitals—going concerns, capable of supporting themselves to a significant degree. Since these institutions are to demonstrate the best techniques, they must be institutions of high quality, with a record of good management and ability to attract good staff, American and foreign.

Support can properly be given to American-connected educational institutions at various levels. Some support should be extended at the higher education level; but it is recommended that most attention be directed at secondary education. The reasons are two: university education is expensive, and 214 funds will not stretch as far if higher education is featured; and many foreign countries are moving to tighten control of education. Given financial and other considerations, it seems best to stay out of support of primary education for the foreseeable future.

Where possible, adult education should be included, and there should be professional or vocational training as well as general education.

The American hospitals supported should include significant training programs, so that demonstration work there mounted will have effect beyond these institutions.

RELATIONSHIP TO UNITED STATES

5. What should be the relationship of supported institutions to the U.S.?

It should be close, but the relationship should not be one of exclusive control or domination. There should, in other words, be a partnership. There should be a significant American interest at the fund-raising level, at the governing board level, on the management and operational level. Since the bulk of the students or patients are and should be non-Americans, nationals of the host country and other non-U.S. countries should be well represented on the administrative and teaching staffs. Some but not all of these staff members should have had some exposure to the United States, to enable them best to demonstrate American practices. In addition, provision should be made for some teaching about the United States in the schools and colleges supported. This need not be required work; but students in these institutions should have the opportunity to learn about the United States. (It is important, of course, that this teaching be on a scholarly, not a propaganda, level.)

6. Should concentration be on regional or national institutions or both?

Regional where possible, but in the world of today the national approach is usually the only one that is workable. Even there, however, it is often possible to build participation from other nations—by encouraging attendance of foreign nationals, scheduling special courses or events that attract participation across national lines, etc.

ROLE OF CONGRESS

7. What questions should Congress be asking about institutions seeking funds and what guidelines should Congress use?

Congress, working with OASHA, should ask if institutions seeking funds are well-established and of good quality; to what degree they are American connected; and if they are capable of demonstrating American educational and health ideas, practices and advances in an effective way.

Congress should ask if these institutions seeking funds have followed proper procedures; that is, have they worked with the OASHA, and have they provided enough material as to their programs and plans.

Congress should expect the OASHA to propose guidelines for Congressional review; to furnish information about the institutions seeking funds, and those receiving funds, including assessments by impartial visiting experts; and to make proposals as to suitable geographic spread, limitation as to numbers of institutions to be supported in a single country, and desirable concentration (as on secondary education; or on teaching and research hospitals as contrasted to service institutions).

Congress should be reviewing the budgetary provisions, to see if the level of support should be raised.

PROPER ROLE OF SECTION 214

8. Should Section 214 concentrate on a few schools or on many?

On a few; or at least on one or a very few in each country. The reasons are clear: Medical and educational institutions are expensive; and with the budget limitations of 214, supporting many institutions means supporting each inadequately. To be effective, demonstrations must be of the best quality. This is impossible without concentration of equipment, teaching personnel, and support staff.

The OASHA cannot maintain close contact with a great number of institutions, but can do so with a relatively small number. This is an important point; for 214 cannot work without careful considerations of requests, continuing contact with supported institutions, and opportunities to evaluate results. Congress too can assess results better if the institutions supported are manageable in number.

There may not be too many institutions on the support list now; but there are too many in the Near East if 214 is to extend operations (as it should) effectively into other parts of Asia and Europe, and into Africa and Latin America. Even with an increased budget, 214 would probably have to cut back to some extent in the Near East to achieve better geographical spread.

9. Should Section 214 be concerned mainly with long term projects or one shot donations?

Emphatically, with long term projects, i.e., with long term association with selected American schools and hospitals abroad.

There may be situations in which a one-shot donation is indicated; and in such a case it should be possible to provide it under 214. But these situations are few. Often a request for a one-shot donation is really a request for the beginning of a longer relationship; and it is best in such cases to review the whole picture, not merely look at a single project.

Normally, the long-term approach is the best. Schools and hospitals are increasingly expensive; and costs abroad have been rising at least as rapidly as costs at home. Thus it is most unlikely that institutions supported under 214 will be able to secure enough private gifts to make themselves independent of United States Government support.

In addition, the quality factor argues for long-term support. Assembling a staff is not easy; in the case of the OASHA, it often means training citizens of the host country. This continuity of support is important; important too to hold good staff members. Demonstration institutions need modern equipment, a continuing flow of new technological devices and the latest books. Cutting off somewhere along the way reduces the effectiveness of the school or hospital, and spells decline.

As 214 has developed, the OASHA has given increased attention to working with supported institutions in improving management, budgeting and operation; in facilities and financial planning; and in logical program development. This has been well done; but it is of course most useful in a continuing relationship.

Finally, it is clear that the United States is involved in world relationships on a permanent basis. There will be need, therefore, for demonstration centers for years to come. That being so, the problem can best be approached on a long-term basis rather than by short-run approaches.

COORDINATION WITH HOST COUNTRIES

10. Should the U.S. consult and seek advice of host governments to insure that our Section 214 does not cross national health or education policies?

Yes. More specifically, OASHA should insist that the institution seeking support provide persuasive evidence that it has established a satisfactory relationship with the host country; and that it has built continuing connections that will

enable it to function in the future. The United States Government, through its own channels should also make sure that the situation is as described; and that there is a reasonable chance for the institution to continue to operate effectively. Again, the initial contact must be followed by later checks, since conditions change quickly.

These contacts are essential for survival of the institutions supported by 214. They are essential, too, if we wish to maintain good will, which after all is at the heart of the entire effort. And the United States would not want to set up or continue demonstrative activities in areas where its presence was not desired. Nor would it want to support an institution which for one reason or another could not function well in a given situation.

11. (A) Should active support of host governments for institutions be required?

It should not be required; but in most instances is desirable. There are certain risks involved; active support may lead to a greater degree of supervision than is considered suitable. Active assistance in securing land—even the gift of property—is a type of active support that is satisfactory. Support by providing of funds from the host government is generally not to be desired, because of the complications that may ensue.

NEAR EAST SCHOOLS

(B) How do we recommend decreasing number of schools in the Near East receiving funds?

First of all, by making clear the criteria for support under Section 214. Schools and hospitals that do not meet these criteria should be dropped from the list of supported institutions, either at once or by a phase out arrangement if great damage would be done by an abrupt termination. In some cases, where one-shot support has been the pattern, conclusion of the one-shot help can end the matter (that is, care can be taken that a one-shot contribution does not lead to continuing support in institutions which do not fit the 214 guidelines).

Even more important is the need to prevent the addition of more schools and hospitals to the list. Additions should be made only in very special cases, clearly falling within the 214 guidelines.

To achieve this, Congress should direct the OASHA to prepare proposals; and should review these with care.

12. Which Middle East institutions do you think best serve the intent, purposes and goal of 214 as you define it?

I am impressed with the performance of the American University in Beirut (including its hospital); and by the American University in Cairo. My acquaintance with the secondary schools of the area and the other hospitals is not sufficient to enable me to pick out the best.

INTENT AND PURPOSE OF SECTION 214

Mr. HAMILTON. I want to say how much we appreciate both of those statements; they are very fine and will be very helpful to the committee.

Let's open by having you express what you think the intent of section 214 and its purpose really ought to be. What should we be trying to achieve in the Congress with section 214? I address that question to both of you.

Mr. HARRINGTON. I think the intent of section 214 was very well summarized by the House Foreign Affairs Committee in 1971, when it said that the primary purpose of section 214 is not to help take care of education and health needs of foreign countries, but to demonstrate to their people, on a selected basis, American ideas, American practices, American advances in the field of education and medicine.

Now, it is quite proper to support foreign institutions, and this is done under other sections of the Foreign Assistance Act. It is quite proper to support foreign institutions for a specific purpose through Government channels or private channels and all of this is done through the Peace Corps, through private foundations like the Ford

Foundation, which I represent, but section 214 has a special purpose. It should be confined to that special purpose unless the Congress feels this mandate should be broadened.

If there is a broadening, obviously the funds that are being appropriated for section 214 are even more insufficient.

Mr. COSTANTINO. Mr. Chairman, Dr. Harrington has expressed most eloquently my own ideas on the subject. He is absolutely right.

The section 214 program is designed to help private American institutions overseas to become or remain showcases of American education and medicine.

I do not think it should be interpreted to cover essentially local, foreign institutions which need financial help for one reason or another.

MEANING OF "AMERICAN"

Mr. HAMILTON. In both of your comments you emphasize the word "American." What do you mean by that? Are we talking about the board of directors? Are we talking about financial support, incorporation in America? What precisely do you mean by American schools and hospitals?

Mr. COSTANTINO. Mr. Chairman, I think you have touched on the crux of the entire problem, the definition of "American." We have attempted over the last year to define what we mean by "American." We have developed criteria, which are a part of the submission we have made for the record, to help us to establish the eligibility of schools or hospitals under section 214. Moreover, to qualify, these institutions should be viewed and accepted in the public mind, both here and in the country where they are located, as being genuinely American. The fact that an institution has a sponsoring board in this country, the fact that it has a large number of Americans on the staff, that it raises funds in this country or even that it has a charter in this country does not, it seems to me, qualify that institution as being American in the sense that I think is intended by section 214.

Mr. HAMILTON. Dr. Harrington, would you like to comment on that?

MEANINGFUL AMERICAN PARTICIPATION

Mr. HARRINGTON. Yes, I agree with that. There is quite a serious problem here because the definition of "American" can be put in a variety of ways. Obviously, you need to have a governing board that has a number of Americans on it, and not just that. These have to be Americans who really give their support to the institution, both their support in money and their support in time.

There has to be meaningful participation in the planning for the institution, the management of the institution, the operation of the institution.

Now, a great many institutions abroad, many schools and hospitals abroad, don't want to have that kind of American association.

Fine. Perhaps they can get supported under foreign aid programs in some other fashion, but since this has a special purpose we should emphasize this American quality.

One of the main problems is that individual institutions overseas seek support by approaching Members of Congress through their

American friends or sponsors. These institutions may be good institutions, but the question remains whether they are really American institutions. The only way to work that out is to have guidelines which Congress can review after the Office of American Schools and Hospitals Abroad has drawn them up, and on the basis of those guidelines go forward.

Otherwise, you are likely to have a mixed bag of institutions that will not do the job that is intended.

WHAT QUESTIONS CONGRESS SHOULD BE ASKING

Mr. HAMILTON. Let's talk a little about these guidelines.

Members of Congress have all kinds of people requesting that certain institutions be put upon this list. What kind of questions ought we, as Members of the Congress, direct to anyone who comes to us and says, "We have a very worthy institution here and we think we need some money and some support". What kind of questions should we put to these people?

Mr. HARRINGTON. Well, I would think, for example, that Congress should ask if the institution pressing is truly American in nature, is a well established institution, if it is of good quality, and how it intends to demonstrate American methods, ideas, and practices.

Then the Congressman should ask if the institution has followed the proper procedures, has it gone to the Office of American Schools and Hospitals Abroad (ASHA) and asked for support? Has it provided the evidence, the material that is necessary to make a judgment as to programs and plans? Has it shown that it can raise money? The Congress obviously does not want to support institutions 100 percent and, therefore, sponsors should be expected to show support other than congressional support. Congress should insist that the Office for American Schools and Hospitals Abroad not only provide guidelines but make recommendations for Congress to review with reference to geographical spread, give evidence that the Office has looked over the material submitted by these American schools, and has had independent assessments by visiting experts, for example, who are able to make judgments with reference to these points.

I guess, personally, I would feel, also, that Congress in asking questions should ask questions about how much this is going to cost and for how long and perhaps questions as to whether there are other institutions in the same area since this is supposed to be a worldwide program, and we cannot concentrate too much attention on any one country.

ADDITIONAL OBSERVATIONS

Mr. HAMILTON. Would you add anything to that list of questions, Mr. Costantino?

Mr. COSTANTINO. I think it was a very fine list of questions, but the first and most important question should be "Have you applied and received the endorsement of the Office of American Schools and Hospitals Abroad?" However, I would suggest that the Congress, if approached directly, should look to the criteria we have outlined and extrapolate from these any further questions that it might like to raise. These are the questions we, ourselves, are going to ask. Beyond that, I would like to make another point or two.

We have found that the very publication of these criteria, or any publicity which we have given to these criteria, have led, almost inevitably, to applications which tell us that their school or hospital demonstrates American ideas and practices. Every application our Office receives is replete with prose regarding the ability of the school to demonstrate American ideas and practices. Unfortunately, this prose tends to become somewhat ephemeral.

It is difficult at times to know precisely what American ideas and practices they are demonstrating other than perhaps some vague concepts of democracy which are hardly a U.S. monopoly or original to the United States. I am not persuaded that such generalities constitute a sufficient demonstration of American ideas and practices. It seems to me that on this basis almost any school could qualify. I think what we have to look for is professional and technical quality in areas in which the United States really has something unique to contribute.

Clearly there are always going to be more applicants than there are funds for them. Accordingly, we must try to help only the very best institutions and that means a limitation of three or four schools or hospitals in any one country at most, and not more than one university per country. For demonstration purposes this would be plenty, even in large countries.

A MORE EQUITABLE GEOGRAPHIC DISTRIBUTION

Mr. HAMILTON. You have mentioned several times your interest in more equitable geographic distribution. I think 80 percent of the funds under 214 are now concentrated in the Middle East.

What other areas of the world are you thinking about, and are you thinking about any specific institutions in those areas?

Mr. COSTANTINO. Yes, we are, sir.

We are thinking about East Asia, the Far East. We have in mind two small medical institutions in Korea, a small hospital and a leprosarium, and Sogang University, which has asked us to help finance a library. We are presently negotiating a grant for the Cheng Hsin Rehabilitation Center in Taipei which treats children affected by polio.

In Latin America we have under consideration a grant to the University of the Americas in Pueblo, Mexico, and a grant to the Gorgas Memorial Library in Panama.

Assistance to a school in Honduras also is envisaged. This is actually a continuation of past assistance. We have a program in mind with the University Del Valle, which is in Guatemala, and is a new American-sponsored and organized institution. We also have in mind possible assistance to a secondary school in Uruguay.

We also have considered a grant to the American school in Tangier in North Africa. We have only one other program in Africa and that is in Nigeria.

WORLD ROLE FOR SECTION 214

Mr. HARRINGTON. I am now resident in Asia. I have been in India for a year, and during that period and before have traveled fairly widely in Asia and I have traveled, also, in Africa and Latin America sometimes as consultant on section 214. It is clear that the United States is not very well understood overseas.

While it is important that we do things like support the Voice of America so that spot news can be sent around the world, it is much more important that we be understood on the long basis of cultural understanding. That, really, can come only through education. To understand the United States is important for these foreign countries, just as it is important that we be understood abroad. About the only way these things will come about is to have a continuing contact in areas in which we have something important to contribute, education and medicine.

We have introduced technology into education and the developing countries of the world need to have that demonstrated. They are going to be using methods of that sort since they have a terrible problem of educating their people. We were the ones that built the full program of mass education and we are being copied in Europe and elsewhere. Thus, the 214 program, by spreading out, can do a great deal of good if it is well handled.

It is important to note that the 214 program is not like the rest of the Foreign Assistance Act; it is not limited to non-Communist countries. Under section 214, we can go into Communist countries. Obviously, understanding with these countries is a contribution toward world peace. We are, or have been constructing a hospital in Poland, for example, under this program.

It is worth noting, too, that whereas AID generally is committed to economic development, the 214 program is not limited to economic development as an objective and, therefore, is not confined to the developing world.

It is important for us to provide demonstrations, experimentation, showcases in Europe. This, therefore, is an opportunity that we should not miss.

Now, this does not mean that the Near East is unimportant; it is an exceedingly important area, and until recently, of course, it was one of the areas where war was most likely to occur.

In any case, it is a region of great consequence to us.

Mr. HAMILTON. Mr. Wolff?

SECTION 214'S INTENT

Mr. WOLFF. Thank you, Mr. Chairman.

I think the time is long overdue that we had this type of discussion. We have had great confusion as to what 214 really intends to do from both the people who administer the program as well as perhaps from the lack of information on the outside as to what is available.

I am happy to have the opportunity of being able to get firsthand from you your evaluation of this program.

First of all, in the statement you have made here, Mr. Costantino, you say on page 6:

The Section 214 objective is to foster a favorable U.S. "image" abroad, and at the same time accomplish worthwhile objectives in the U.S. interest.

Does that mean that this program is basically a propaganda program?

Mr. COSTANTINO. Well, sir, propaganda has been used as a pejorative term. I don't think of it as such. I think that we are showing the best in American education and medicine.

Mr. WOLFF. What I mean is the fact that within the schools are there certain requirements that are laid down by your office for inclusion in the activities of the school to promote American interests or is it just demonstration?

Mr. COSTANTINO. No, sir, I think it is by demonstration. I don't think it is in our tradition to control the curriculum, or in the case of hospitals the method of operation of hospitals or to try to structure these institutions into some kind of preconceived format. I think there is room for diversity and in diversity lies our strength in this program. But at the same time, we think that the fundamental purpose of the program is to try to show the best we have in this country to the people of countries where these institutions are located.

For that reason, let's say a less than top rate institution does not really deserve support especially when we consider what Dr. Harrington mentioned earlier, that to be really effective we should continue to provide support to an institution once we have helped it to become a showense to maintain itself as a showcase. We should exercise a form of control by refusing help to institutions that don't really measure up.

SCHOOLS' RELATIONS WITH HOST COUNTRIES

Mr. WOLFF. The schools that we set up, are they subject to the rules and regulations that are laid down by the host country?

Mr. COSTANTINO. Yes, sir. We don't set them up, however. These are private institutions which were set up by their own boards of directors as private citizens.

Mr. WOLFF. What I mean, do they have to operate under the local laws.

Mr. COSTANTINO. Of course, sir. Any school operating anywhere must operate within the context of local legislation.

Mr. WOLFF. Now, in the case of the recommendation of a school in Poland, does that mean that we would fund a school in Poland and have to operate under the local regulations that are set by the Polish Government and under the restrictions that they may have of controlling the educational facility?

Mr. COSTANTINO. Yes, sir. Clearly, we cannot operate in Poland without the permission of the Government of Poland.

Mr. WOLFF. Do you think they would permit us to project American ideals in Poland?

Mr. COSTANTINO. I think that the Polish Government is receptive beyond what most people imagine to this country and what it stands for. I think that their cooperation with the United States in terms of our assistance to the hospital in Krakow has been most gratifying.

Mr. WOLFF. I am not talking about the hospitals. I am talking about schools.

Mr. COSTANTINO. I appreciate that. I don't think there is much likelihood that we could teach liberal economics in Poland, but we do have in mind assistance to an agricultural vocational school in Poland where, hopefully, the political content would be minimal. We would be teaching subjects which are of great interest, and science being an international and technical matter presumably politics won't arise.

CHECKING ON SCHOOLS

Mr. WOLFF. Do you check at all after a school is funded as to the restraints that are placed upon the curriculum of the school?

Mr. COSTANTINO. Very much so, sir. Last year, in Greece, which is not perhaps germane to this hearing by the Near East Subcommittee, I visited the Minister of Education precisely on this subject. I pointed out to him that I thought that the reason that the U.S. Government is supporting some schools in Greece was because these are pilot schools; demonstration schools, and if they were to be nothing more than carbon copies of native Greek schools there would really be no point in our subsidizing them.

Mr. WOLFF. In that particular case, do the Greek schools permit the criticism of the regime that we permit in our schools here?

Mr. COSTANTINO. I don't think it is wise on the part of the guest in a country to criticize its management.

Mr. WOLFF. But that is contrary to the principles of the U.S. interest, as articulated previously, do you not promote democracy in opposition to the totalitarian system.

AMERICAN UNIVERSITY IN CAIRO

Mr. HARRINGTON. Maybe I should take a try at that one.

The example I will use will be Egypt, which is a country with which we do not have formal diplomatic relations. Nonetheless, the committee on which I was a member visited the American University in Cairo last fall and met with no less than six cabinet members and talked about the value of the American school. Despite the troubles with that Government and their troubles with us, these Egyptians felt that having an American school as a model of how efficiently a school can be run and a model, too, of American style of education, which means less lecturing, more discussion and more freedom of discussion, they thought that was a good idea.

Now, to be sure, they would not want the American University in Cairo to be a center for opposition to the Egyptian Government.

Mr. WOLFF. Do they permit dissent?

Mr. HARRINGTON. Yes, and discussion does take place. Let me indicate ways in which this can happen without opposition to the existing government.

If you have in your curriculum something about the United States, say American history, for example, or if you have an American or an American-trained person teaching philosophy, teaching almost any subject, then the teaching of that subject can open these things up.

Mr. WOLFF. How about political science?

Mr. HARRINGTON. Yes, the political science work at the American University in Cairo is very broad.

SOME RESTRICTIONS

Mr. WOLFF. Even if it is in direct opposition to the line of the U.A.R. at the moment?

Mr. HARRINGTON. Well, in such situations, care would be taken.

Mr. WOLFF. In other words, there is, then, in certain areas of the world where we do have our American university, restrictions placed upon the curriculum?

Mr. HARRINGTON. I think these are restrictions that are not placed by order but, rather, by understanding or by experience, by tradition, this kind of thing and are, of course, essential to the survival of the institution until conditions change.

Mr. WOLFF. Do you think that is demonstrating American democratic principles by permitting the state to come in and control that which you are attempting to teach the students?

Mr. HARRINGTON. Well, obviously, you must consider that you are teaching students who belong to another country. The majority of students at all these American schools abroad are citizens of the host country.

Those students must, when they graduate, have the right to go ahead into professions. Therefore, there are some controls on the subjects that are taught and there are some limits as to the freedom of expression. But in my experience, I am surprised at how few those limitations are.

Mr. WOLFF. I think if there are any limitations they are contrary to the purposes of 214 and I would say that perhaps it might be better if we are trying to demonstrate through particular students, to have those students come here in this country where there is the free expression on campus.

I would like to get to another matter, Mr. Chairman, if I can, sir.

Mr. HAMILTON. Yes.

Mr. WOLFF. There is a majority of two here so if I could take some time to get to some other questions.

Mr. HAMILTON. High quality, though, Mr. Wolff.

AMERICAN COLLEGE IN JERUSALEM

Mr. WOLFF. Yes, I agree with that.

You talk about visiting various colleges. Did you visit the American College in Jerusalem?

Mr. HARRINGTON. I have visited the American College in Jerusalem and the Hebrew University in Jerusalem, and the Weizman Institute in Israel as well as the Hadassah Hospital but I did not do that for AID. I did that on the invitation of Prime Minister Golda Meir, who attended the University of Wisconsin or a branch of what is now the University of Wisconsin in Milwaukee. We gave her an honorary degree in recognition of her distinction. She and some of the people with whom we have worked in rehabilitation asked me to visit Israel where I spent nearly a month a couple of years ago.

Mr. WOLFF. What I am interested in learning is what you found out about the American College in Jerusalem in contrast with some of the other American universities.

Mr. HARRINGTON. I think the American College in Jerusalem is an American type of institution but whether it should receive 214 subsidies should be considered with care. I think it has to be said about that institution as well as almost any of these American schools abroad, that it is careful with reference to criticism of the local regime. That is inevitable. I feel that that is natural and necessary. Indeed, open opposition to a regime is a less effective way of promoting understanding of the United States than careful consideration of the feelings of the local regime.

ROBERT COLLEGE TODAY

Mr. WOLFF. To both of you gentlemen, I visited Robert College, which I happen to think is an outstanding school, but it is no longer an American school. It has now been taken over, it is the Middle East or Near East University, is it not?

Mr. COSTANTINO. If I may answer that, Mr. Congressman, Robert College, as it has been known, no longer exists. That part which was the college in the American sense of the word, the university portion which in Turkey is known as the "yukse", has become Bosphorus University. It is no longer receiving assistance through section 214.

Mr. WOLFF. We have it down here for \$1,200,000.

Mr. COSTANTINO. Yes, sir, but \$1 million in fiscal year 1972 was given to the secondary school which remains under direct U.S. management and to cover some transitional costs. The Turkish Government is in no way involved in the secondary school.

Having been both a secondary and university level institution, Robert College is now a secondary school. We are continuing our assistance to the secondary school only.

SECTION 214 IN AFRICA

Mr. WOLFF. I have two final questions, Mr. Chairman.

One, in mentioning the various areas of the world that you believe consideration should be given to, I notice that you did not give any consideration to any area in black Africa. Is there any reason for that?

Mr. COSTANTINO. No, sir. I mentioned earlier that we have under consideration a program in North Africa. We do have a project at Chemke in Nigeria. But I agree we should be doing more in Africa. It is a question of limitation of funds and, as of the moment, we have not received enough to provide support to American institutions throughout the world.

Mr. WOLFF. Do you think we need more funds for this particular program? Could you use more funds?

Mr. COSTANTINO. Of course, we could use more funds.

Mr. WOLFF. What would you say would be necessary to do a more adequate job?

Mr. COSTANTINO. Well, it seems to me that it is as important to strive for quality as for quantity, and I think that the first step should be to try to use what we have available as well as possible.

Going beyond that, though, I would think that a program in the range of 30 to 50 million dollars a year, once it is fully established, would be reasonable if the necessary selectivity and restraints are exercised.

Mr. WOLFF. I would like to go back to one final point.

Mr. HARRINGTON. May I make an addition with reference to this?

Mr. WOLFF. Yes.

Mr. HARRINGTON. It would be a mistake to appropriate more funds if this meant they were to be handed out carelessly. It would be a grave mistake because it would jeopardize the entire program. Therefore, if there is to be an increase, and I think there should be, it should be slowly put in and put in in connection with guidelines that are carefully drawn up and are carefully reviewed and observed by the Congress.

I believe that the French provide about \$80 million a year for their schools throughout the world. France is a country that spends its money very carefully overseas but it must feel that this is a worthwhile expenditure and that is an expenditure substantially in excess of section 214 projections.

INDIAN MANPOWER

Mr. WOLFF. With your contact in India, there has been criticism leveled at the fact that India produces too many Ph. D.'s and too few people in the technical field. Would you agree with that?

Mr. HARRINGTON. There are many unemployed educated people in India. This is partly owing to educating people in the wrong fields and partly to the fact that Indian industry has developed slowly and, therefore, there are not quite as many opportunities as it is hoped there will be in the future.

Educated unemployment, though, does not necessarily mean you should slow down education. It might merely mean, as you are suggesting, that you should change direction. The major defect of Indian education, as the Indians themselves know, is that it is not practical. It is academic, and even in schools which feature engineering and science sometimes the practical is not stressed. It is well to know that they are now combining the need for education of the mind and the need for education for the hands.

There is some reason to feel that this will be successful. It is worth noting that this is, to a substantial degree, an American idea. We feel that engineering training should have practical experience along with it. We feel that in almost any field of social work you should have field work along with the classroom work. This American idea is catching hold in India, although we do not have any American schools or hospitals there.

Mr. WOLFF. Are we not spending money under Public Law 480 funds?

Mr. HARRINGTON. Yes.

Mr. WOLFF. How much? Do you have any idea?

Mr. HARRINGTON. The total amount of Public Law 480 money accumulated in India as of last June was about \$425 million. In the last 2 years we have spent about \$75 million, as I recall.

Mr. WOLFF. A year?

Mr. HARRINGTON. Yes.

Mr. WOLFF. Thank you, Mr. Chairman.

INSTITUTIONS AND HOST GOVERNMENTS

Mr. HAMILTON. Dr. Harrington, in your statement on page 10, you answer a question we raised in a letter to you. Our question was: "Should active support of host governments for institutions be required?" And your response is "it is desirable but not required." That raises in my mind the question of what the relationship ought to be between the host government and the institution.

I would think that if the host government did not want us to support a particular institution, then we probably ought not to do so.

Mr. HARRINGTON. Correct. We could not. In most countries of the world, unless you have permission from the government to go forward, you can't do it.

Mr. HAMILTON. Are there any present instances where we support institutions that does not fit into the educational scheme of things in the country?

Mr. HARRINGTON. Well, it depends whether you are talking about 214 or some other statute. The State Department does support schools abroad and so does the Defense Department. These are schools for Americans abroad and obviously as American schools rather than schools for that particular country, they are different.

Mr. HAMILTON. I am talking about 214.

Mr. HARRINGTON. Section 214 schools are intended to fit into the local pattern while at the same time demonstrating American ideas. I can't think of an example of one that does not fit, but it is true that some of them are sufficiently different from the local schools that they have some difficulty getting full recognition for their graduates in, for example, teaching positions in local schools.

It is only this winter that the American University in Cairo (AUC) has been recognized as an institution which can turn out graduates who can be employed by the Government. The Egyptian Government now has recognized AUC but for a long time this was not the case.

Mr. COSTANTINO. It seems that there may be some confusion, perhaps, in terms of the rigidity with which these norms are applied by these countries. In some instances, the schools which we are supporting do not actually fit within the top educational priorities of a host government, but that does not mean that these governments are opposed to these schools. They don't see them as essential to their educational priorities, which is understandable given their foreign, that is American, character.

AMERICAN UNIVERSITY OF BEIRUT

Mr. HAMILTON. I notice both of you talked about the American University of Beirut (AUB) and I would like for you to comment on what you see the role of that university is and to respond to a specific criticism that I heard, the criticism being that often times the leadership of that university, the presidents of it, have been selected because of their close links with AID rather than their competence in running a university.

Mr. COSTANTINO. Well, if I may answer the second question first, sir, that latter point astounds me. The president of AUB, whom I know and admire, was completely unknown to me before I got in this job. In the course of my work no one has ever solicited my opinion regarding his competence. Neither do I know of such concerns with respect to any other section 214 institution. These are private institutions and we respect them as such.

As for the role of the American University of Beirut, it is not a university meeting the needs of Lebanon alone. The university is a unique institution serving the entire Middle East. As a center of liberal education it has, for over a century, been most influential by educating students who have become leaders of the Arab world and who have been instrumental in the development of their respective countries.

Mr. HAMILTON. What percentage of the budget do we contribute to the AUB?

Mr. COSTANTINO. Approximately one-third.

Mr. HAMILTON. Where does the other two-thirds come from?

Mr. COSTANTINO. Endowment, fees, other sources.

Mr. HAMILTON. So you totally reject this criticism that has been made?

Mr. COSTANTINO. Yes, sir.

AUB AS A REGIONAL INSTITUTION

Mr. HARRINGTON. The American University of Beirut will be closely examined, of course, because it is the institution that has received the largest amount of money from 214. But it is to be pointed out—and I speak as one who headed the committee to look into AUB during the Johnson administration—it is to be said that AUB is a regional institution. It is not just a Lebanese institution; it is an institution for the whole Arab world and its impact on the Arab world is very considerable not only in the regular undergraduate programs but in medicine and in agriculture as well. Thus, it is an unusual institution, in fact it is a unique institution. The AUB deserves a great deal of credit.

It is difficult to get a regional institution going these days. We should get one going in Africa, but it does not look likely.

Mr. HAMILTON. Do you see it as the kind of institution we ought to support under section 214?

Mr. HARRINGTON. Yes; except that we cannot be supporting very many medical schools. Medical schools are exceedingly expensive. The Beirut Medical School is, after all, a research medical school as well as a teaching medical school. We should be careful about that support, but, yes; AUB is an excellent example—perhaps the best example of support for 214.

AMERICAN UNIVERSITY IN CAIRO

Mr. HAMILTON. I would like you, also, to comment on the American University in Cairo, if you would, along the same lines. How do you feel that fits into our American interests, and what kind of a job do you think it is doing?

Mr. HARRINGTON. The American University in Cairo has had more difficulties than the American University in Beirut. It does not have as sound a financial base, and it is in a country with which our relations have been strained.

Mr. HAMILTON. What percentage of the budget do we contribute?

Mr. COSTANTINO. Eighty percent.

Mr. HAMILTON. From where do they get the rest?

Mr. COSTANTINO. Again, from fees and gifts.

Mr. WOLFF. Mr. Chairman, correction of the record. Our relations have not been strained, they were broken.

Mr. HARRINGTON. Yes, we maintain only informal relations. Therefore, the university has not functioned with anything like the efficiency of the American University of Beirut. Nonetheless, it is an institution of good quality, and it has been performing a good function. I would trust it could continue to get support. It has been possible to support the American University of Cairo, in some respects, a little more easily than the American University of Beirut. We have Public Law 480 funds in Egypt, and they can be obtained somewhat more easily than

a direct dollar appropriation. There have been dollars put into AUC—there must be, because you need dollars as well as local currency—but the Public Law 480 provided funds that might not otherwise have been given.

UNUSUAL OPPORTUNITY IN CAIRO

Mr. COSTANTINO. The American University in Cairo presents us with an unusual opportunity to maintain contact with the intelligentsia, the elite of Egypt, a country with which we do not have formal diplomatic relationships. As such, AUC acts as a bridge and a link to the largest Arab country in the world. It seems to me that one of the great advantages of 214 is that it provides for cultural bridges and links to countries with which we have strained relationships.

If we were to have a 214 program only in countries which are friends, there might be some question as to why we should have to preach to the converted. The section 214 program can help the United States to reach people who may not officially be favorably disposed toward us.

I think, perhaps, that is section 214's greatest asset.

I don't think this necessarily means we only want to have schools in countries which are opposed to the United States, but I think it is incumbent upon us all to think of the future and not to think of relationships between this country and others as being bounded by short-term political considerations.

Mr. HAMILTON. Gentlemen, I still have some more questions. I think I will suspend the hearings so that Mr. Wolff and I may go over and cast a vote here and return, and it will probably take us 15 or 20 minutes. I will be back. So we will stand in recess for a few minutes. I am sorry for the interruption.

(Brief recess.)

ASSURING GEOGRAPHIC BALANCE

Mr. HAMILTON. The subcommittee will come to order, please.

Mr. Costantino, should there be a legislative limit on the number of institutions that are supported or a legislative requirement so far as distribution of support is concerned to assure geographical balance?

Mr. COSTANTINO. Mr. Chairman, such a legislative requirement both in terms of distribution and limitation, in terms of any one country, would be an inestimable boon to the sound administration of this program. I would very much welcome such a requirement.

Mr. HARRINGTON. Even a statement of intent? Statutory restriction?

Mr. COSTANTINO. Well, anything would be better than the present lack of clarity. Unfortunately, you know that the House Foreign Affairs Committee has recommended to us earlier in this year a list of projects, many of which in Israel are of disparate quality and merit, which totaled, if I recall, something like \$28.5 million—\$28.7 million. That list clearly cannot be satisfied within the \$20 million that was appropriated, particularly given the fact that we also received recommendations from the Senate for projects totaling an additional \$14.5 million. Further, we have other applications, received in the normal course of events, totaling another \$15 to \$20 million.

So we have roughly \$70 million worth of applications on file, projects under consideration to be taken care of with a \$20 million appropriation.

AID PREFERENCE

Mr. HAMILTON. I suppose your preference would be simply to have the amount of money and then discretion to distribute it to the institutions you select.

Mr. COSTANTINO. Correct, sir. This is the way we have submitted our budget request for fiscal 1973. We have stated an amount, and we have deliberately not listed the institutions. We believe that once institutions have been named either by Congress or AID, they feel that they have a lien on some of the section 214 funds. This makes it very difficult for us to negotiate with them. In some cases, we don't believe that institutions named by the Congress should receive any assistance at all since they are not really American or quality institutions or either.

If an amount is specified in any kind of a document, the corresponding institutions tend to think that that is a sacrosanct figure. It is very difficult when you actually get down to negotiations as to needs and requirements and project plans to adjust those figures according to what turns out to be really necessary. Line item appropriations are, of course, final and even worse procedure. I doubt whether the Congress should itself identify grantees. That should be our function and should involve careful, deliberate screening.

BEST KINDS OF INSTITUTIONS

Mr. HAMILTON. I take it both of you agree in general terms that our support ought to go preferably to regional institutions, to concentrate our support on a relatively few schools, to avoid the so-called one-shot input of funds and to think in terms of long-range impact rather than immediate impact. That is a fair summation in part, isn't it, of what you said to us today?

Mr. COSTANTINO. With one minor amendment, Mr. Chairman. I don't think exclusively in terms of regional institutions. I think regional institutions should have priority, but as Dr. Harrington pointed out earlier, such institutions are not easy to develop. I know a very few of this kind, and we would not want to be precluded from helping worthy American institutions in countries where they just serve the needs of that country.

Mr. HARRINGTON. Even where you support a national institution as against a regional one, we would hope that support would go to institutions which accept students from other countries.

Mr. COSTANTINO. Of course.

RELIGIOUS SCHOOLS

Mr. HAMILTON. Now, you both talked about institutions being identified as American and serving an effective cultural presence in the region. How do religious schools fit into this category?

Mr. COSTANTINO. I don't believe they do, sir.

Mr. HAMILTON. And you think they should be excluded?

Mr. COSTANTINO. Well, perhaps I should redefine my answer.

I don't mean, when I say a "religious school," a school which is backed by a religious group. I mean a school which is devoted to the teaching of religion or in which religious matters predominate or seriously affect the curriculum should be excluded from this group.

Mr. HAMILTON. If it is devoted exclusively to that subject?

Mr. COSTANTINO. Yes. For example I have in mind Sogang University in Korea which is a Jesuit-sponsored institution. That does not mean that Sogang's exclusive preoccupation is religion or that we contemplate getting involved in the teaching of religion. On the other hand, at least two or three Israeli institutions named by the House Foreign Affairs Committee and by the Senate Foreign Relations Committee appear questionable. However, we have excluded religious education and have not made grants for that purpose.

Mr. HARRINGTON. Many of the institutions in Israel, of course, have a strong religious flavor.

DISTINCTION IN ISRAEL

Mr. HAMILTON. How do you make this distinction in Israel?

Mr. COSTANTINO. We have reviewed applications keeping this point very much in mind. If the curriculum is not religious, we don't think we should discriminate against the sponsors simply because they belong to one religious group as against another but sectarian schools do cause us pause. We include an "equal opportunity" clause in all our grants, but we have not pressed this issue since all of these schools have been picked by Congress.

Mr. HAMILTON. That present list that we put into our committee report, are there some institutions that would be excluded in your view by reason of the application of that principle?

Mr. COSTANTINO. As religious schools?

In terms of the Israeli schools, we find that almost all the schools with which we have to deal have, of course, some religious flavor, but so long as the funds requested from us are not directed to the teaching of religion as such we consider them eligible. However, eligible or not, we think most of these schools are marginal in terms of what we think should be done with section 214 funds in the U.S. interest.

Mr. HAMILTON. Could you identify those for us?

Mr. COSTANTINO. If I may be excused from doing so, sir, it would make my life more bearable. I must live with several which received line item appropriations from the Congress. Hopefully, the Congress will not resume this practice.

Mr. HAMILTON. All right.

STAYING ON LIST

Is it true that once a school is on the list for support it is hard to get it off?

Mr. COSTANTINO. It would not cost me too much anguish to remove some, but there tends to be a great deal of support in Congress for continuation of assistance to some. The record would indicate that once a school has received help, or once even a board of directors in the United States supporting a given school abroad has obtained assistance, that that board realizes that it can obtain further funds

for further projects and tends to come back and request monies for more projects.

Mr. HAMILTON. How many schools once on the list are no longer on the list?

Mr. COSTANTINO. I would like to supply that for the record, sir, but I may say now I don't believe there are many.

Mr. HAMILTON. Just several, or 10 or 12?

Mr. COSTANTINO. Several.

You see, here, again, the question is we get requests from a board or a group in the United States on behalf of a school. They receive that assistance and a year or so later they come in requesting assistance for another school. Our question then is, is it the same school? Is it really a branch? Is it the same group? What is it?

(The information referred to follows:)

INSTITUTIONS WHICH HAVE NOT RECEIVED OR REQUESTED ASSISTANCE SINCE THE FISCAL YEAR SHOWN

Institution	American sponsoring group	Fiscal year assistance received
Amana Ulpanat, Kfar Saba	Bina Educational and Philanthropic Foundation, Inc.	1970
Amana Ulpanat, Zefira.....	Bina Educational and Philanthropic Foundation, Inc.	1970
Haifa Institute of Education, Israel.	Bina Educational and Philanthropic Foundation, Inc.	1970
Igud Leiluf Honor, Israel.....	Emet Educational Alliance.....	1971
International College of Beirut.....	International College of Beirut, Lebanon.....	1967
Jerusalem School of Applied Sciences, Israel.	Kennedy Educational Foundation, Inc.....	1968
Kfar Eliyahu Youth Village, Israel.....	Bina Educational and Philanthropic Foundation, Inc.	1970
Ramat Havraath Center, Israel.....	United Satmar Yetev-Lev of New York, Inc.....	1971

AMERICAN SPONSORING ORGANIZATIONS WHICH HAVE RECEIVED OR APPLIED FOR GRANTS FOR MORE THAN ONE INSTITUTION

Sponsor and institutions	Grants given		Grants requested	
	Fiscal year	Amount	Fiscal year	Amount
Beth Joseph Foundation, Inc.:				
Sde Chemed Vocational School, Israel.....	1971	\$250,000	1972	\$250,000
Beth Yaacov Avel, Israel.....	1970	1,200,000	1972	1,000,000
Ch'san Sofer Chasan, Israel.....	1968	1,000,000	1972	350,000
Bina Educational and Philanthropic Foundation, Inc.:				
Haifa Institute of Education, Israel.....	1970	550,000		
Kfar Eliyahu, Youth Village, Israel.....	1970	700,000		
Kfar Eliyahu, Beer Yaacov, Israel.....	1970	650,000	1973	250,000
Amana Ulpanat, Kfar Saba, Israel.....	1970	300,000		
Amana Ulpanat, Zefira, Israel.....	1970	300,000		
Educational Center of Galilee, Israel.....	1970	860,000	1972	400,000
Tom Vocational Center, Israel.....			1973	750,000
Kennedy Educational Foundation, Inc.:				
Jerusalem College for Women.....	1968	1,000,000	1972	750,000
Jerusalem School of Applied Science, Israel.....	1968	1,985,000		
Emet Educational Alliance, Inc.:				
Igud Leiluf Honor, Israel.....	1971			
Horev High School for Girls, Jerusalem.....		250,000		
Ulpans School at Kfar Pines and Meron.....		250,000		
Beth Oloth Vocational High School, Jerusalem ¹		250,000		
Betsefer Tichoni Lemenschonaim (Center for Vocational Training) ²			1972	848,000
At Tiberias, Israel.....				
At Rehovot, Israel.....				
Dr Hachayim, Inc.:				
Dr Hachayim Girls' School, Israel.....	1968, 1971	1,500,000	1973	750,000
Bnei Brak Hospital and School of Nursing, Israel ³			1972	1,795,000

¹ According to the Kennedy Educational Foundation, Beth Oloth is affiliated with the Jerusalem College for Women.

² The Bina Educational and Philanthropic Foundation, Inc., has requested that it be a cosponsor of the Betsefer Tichoni Lemenschonaim.

³ Dr Hachayim is cosponsoring the Bnei Brak Hospital and School of Nursing with Bnei Brak Hospital, Inc.

PROPER ADMINISTRATIVE CHANNELS

Mr. HAMILTON. Dr. Harrington, you talk on page 5 of your statement about institutions operating through proper administrative channels. What do you mean by that?

Mr. HARRINGTON. I mean that if you are to have a program like the 214 program, it should be viewed as a whole. Thus someone, presumably the Office for American Schools and Hospitals Abroad, should be the central point through which all applications should flow. If a list is built in some other fashion, without going through a channel that brings all the information together, you are going to have a pretty mixed set of schools and hospitals. In this case, the particular reference is to the practice of individual institutions coming to individual Congressmen and pushing to get a school put on the list. This, it seems to me, is not desirable for the welfare of 214.

Mr. HAMILTON. Gentlemen, that is all the questions I have, and I will give you a chance to conclude with any observations you think might be helpful to the subcommittee.

Mr. COSTANTINO. Mr. Chairman, I would like to thank you for your courtesy. I cannot think of any further comments I could make at this time, except that my office would be very happy to cooperate with this committee at any time on any matter of interest to it.

Mr. HARRINGTON. I certainly think it is a good idea for this subcommittee and for the Foreign Affairs Committee to be examining this question. It really is a question of substantial importance to the United States and it deserves careful attention, and I am pleased that it is receiving it.

Mr. HAMILTON. Well, your statements have been very helpful to us, and we do intend to pursue it at the appropriate time in the full committee, and subsequently in the legislation.

Thank you very much.

The subcommittee stands adjourned.

(Whereupon, at 11:27 a.m., the subcommittee adjourned, to reconvene subject to call of the Chair.)

APPENDIX A

REQUESTS OF AID AND OF CONGRESS FOR SECTION 214 GRANTS IN FISCAL YEAR 1972

(In thousands of dollars)

	Amount
Admiral Bristol Hospital, Istanbul, Turkey.....	100.0
American Colony Charities Association Medical Clinic in Jerusalem.....	40.0
American Farm School, Thessaloniki, Greece.....	275.0
American Friends of Boystown in Jerusalem, Israel.....	750.0
American Hospital in Paris, France.....	12,200.0
American Hospital in Rome, Italy.....	15,000.0
American International School, Tel Aviv, Israel.....	600.0
American Research Center in Cairo, United Arab Republic.....	198.0
American Research Hospital for Children, Krakow, Poland.....	2,600.0
American School in Tangiers, Morocco.....	300.0
American University of Beirut, Lebanon.....	6,000.0
American University in Cairo.....	2,660.0
Anatolia College, Thessaloniki, Greece.....	683.0
Athens College, Athens, Greece.....	75.0
Bar Ilan University, Israel.....	5,377.0
Bayit Lepletot Girls School, Israel.....	500.0
Belt Ulpah Teachers College, Israel.....	1,000.0
Beth-Avot American Geriatric Center, Israel.....	1,200.0
Beth Rivka Comprehensive School for Girls, Israel.....	15,900.0
Beth Yaakov Avot Girls School, Ramat Dan, Israel.....	1,000.0
Beth Zeiroth Mizrahi Schools, Israel.....	1,500.0
Betseler Miksoi Tichoni Lemechonaut Rechev U.M., Israel.....	840.0
Buel Brak Hospital and School of Nursing, Israel.....	1,800.0
Cairo American College, United Arab Republic.....	1,250.0
Getardic Vocational College for Girls, Israel.....	300.0
Ch'san Sofer Chasan Yeveshel Institute, Israel.....	350.0
Educational Center for Galilee, Rachasim, Israel.....	400.0
Escuela Agricola Panamericana, Honduras.....	250.0
Feinberg Graduate School of Weizman Institute, Israel.....	3,700.0
Gorgas Memorial Institute, Panama.....	1,000.0
Hadassah Medical Center, Israel.....	1,000.0
Hebrew Union College Biblical and Archaeological School in Jerusalem.....	912.0
International Eye Foundation, New York.....	275.0
Jerusalem College for Women, Israel.....	1,000.0
Kfar Silver Agricultural High School in Israel.....	2,175.0
Kiryat Noar-A "Boys Town" type school for orphaned boys, Israel.....	500.0
Kolei Shomre Rachomos (Home and Hospital for the Aged), Israel.....	400.0
Laniado Hospital Kiryat Sanz, Israel.....	1,000.0
Musa Alami Foundation in Jericho, Occupied Jordan.....	150.0
Pierce College, Athens, Greece.....	1,110.0
Project HOPE.....	1,500.0
Pulaski Foundation, Poland.....	15,000.0
Robert College, Istanbul, Turkey.....	1,900.0
Schutz American School in Alexandria, United Arab Republic.....	70.0
Sde Schemed Vocational School, Israel.....	250.0
Shaari Zedek Hospital, Israel.....	750.0
Shocken Institute for Jewish Research in Jerusalem, Israel.....	1,000.0
Teachers Training Institute, Kiryat Yearim, Jerusalem, Israel.....	1,000.0
Technion, the Israel Institute of Technology.....	14,000.0
Tom School, Israel.....	1,000.0
Touro College, Israel.....	500.0
University of the Americas, Pueblo, Mexico.....	15,000.0
University of Pittsburgh-Haifa University cooperative study program.....	2,000.0
Program support.....	200.0
Total.....	88,340.0

¹ Request amount to be spread over 2 to 3 years.

² Most of amount to be furnished in local currencies.

Note.—Amounts shown are those requested either of AID or the Congress.

APPENDIX B

OFFICE OF AMERICAN SCHOOLS AND HOSPITALS ABROAD—SUMMARY OF AID TO RECIPIENT INSTITUTIONS, FISCAL YEARS 1959-71

[In thousands of dollars]

Institution	Fiscal years 1959-69			Fiscal year 1970			Fiscal year 1971			Total	
	U.S. dollars	L/C equivalent		U.S. dollars	L/C equivalent		U.S. dollars	L/C equivalent		U.S. dollars	L/C equivalent
Admiral Bristol Hospital, Turkey.....	530			75			60			665	
Amana Ulpamat, Israel.....	1,197			600			180			600	
American Farm School, Greece.....	2,375	8,200		112	2,100					1,489	
American Research Hospital for Children, Poland.....	55,792			1,575			6,300			2,950	10,300
American University of Beirut, Lebanon.....	7,395	46,000		10,990			200			73,082	
American University in Cairo, Egypt.....	838			200						7,795	46,000
Anatolia College, Greece.....	892									838	
Athens College, Greece.....		1,000								892	
Bayit Lepiotei Vocational Training School, Israel.....				1,200						1,200	
Beth Yaacov Avat Girls School, Israel.....				500						500	
Chemiko Mercy Hospital, Nigeria.....		1,000									1,000
Ch' San Sofer Chasan Yeheskel School, Israel.....				800			200			800	
Educational Center of Galilee, Israel.....	1,984			200			500			2,384	
Escuela Agrícola Panamericana, Honduras.....				2,500						3,000	
Feinberg Graduate School of Weizmann Institute, Israel.....		1,000		4,850						4,850	
Hadassah-Hebrew University Medical Center, Israel.....											11,000

Haifa Institute of Education, Israel	550				550
Igud Leifur Hanar, Israel					750
International College of Beirut, Lebanon					2,664
International Eye Foundation, Washington, D.C.					200
Jerusalem College for Women, Israel	1,000				1,000
Jerusalem School of Applied Sciences, Israel	1,986				1,986
Kfar Eliyahu Youth Village, Israel					1,350
Or Hachayim Girls College, Israel	1,000				500
Pierce College, Greece					30
Project HOPE	2,532				2,532
Ramat College, Turkey	15,120				15,120
Ramat College, Turkey					1,000
Sda Chemed Vocational School for Underprivileged, Israel	15,220				650
University of the Americas, Mexico	2,000				2,000
University of North Africa, Morocco					250
Other 214 institutions	1,275				1,275
Program support	12				161
Total	109,826	61,286	27,964	2,100	151,197
					63,386

¹ Prior year funds.

² Includes \$2,500,000 from contingency fund for medical center construction (in fiscal year 1961 and fiscal year 1966), and \$395,000 from fiscal year 1967 contingency fund.

³ Includes \$2,333,000, fiscal year 1960; special assignments and contingency funds (\$1,545,000, fiscal year 1961, \$395,160, fiscal year 1962); and Alliance for Progress (\$1,057,000, fiscal year 1963).

⁴ Appropriation of excess Egyptian pounds, FAA, 1968; also \$25,000,000 Egyptian pounds (\$45,000,000 equivalent) under P.L. 480, Section 104(i), granted in fiscal year 1965 to create an endowment.

⁵ Appropriation of excess Israeli pounds, FAA 1967.

⁶ Appropriation of excess Israeli pounds, FAA 1966.

⁷ Included funds from the Asian Economic Development Fund (\$90,000, fiscal year 1959, \$2,333,000, fiscal year 1960); special assignments and contingency funds (\$1,545,000, fiscal year 1961, \$395,160, fiscal year 1962); and Alliance for Progress (\$1,057,000, fiscal year 1963).

⁸ Appropriation of excess Egyptian pounds, FAA, 1968; also \$25,000,000 Egyptian pounds (\$45,000,000 equivalent) under P.L. 480, Section 104(i), granted in fiscal year 1965 to create an endowment.

⁹ Figure covers grants to secondary schools principally in Latin America. Entire appropriation was administered by State/CU on behalf of AID in 1959. This portion dropped from ongoing records as these were nonrecurring grants.